

Part 4

Higher education finances

Costs

What is the cost of instruction?

The “costs” are what institutions spend to provide education and related educational services to students. The “cost of instruction per student” is the sum of direct and indirect costs of an institution related to instruction on a per-student basis.

Public institutions have two primary sources of revenue to pay for the cost of instruction: tuition and state support. The public institutions locally retain operating fees, which represent the majority of student tuition. State support for instruction is provided through appropriations to all public institutions. Tuition and state support comprise the total cost to the institution of providing an education.

The table on the next page shows how much of the cost of undergraduate instruction per FTE is paid by student operating fees (tuition) and how much is paid from state appropriations to institutions.

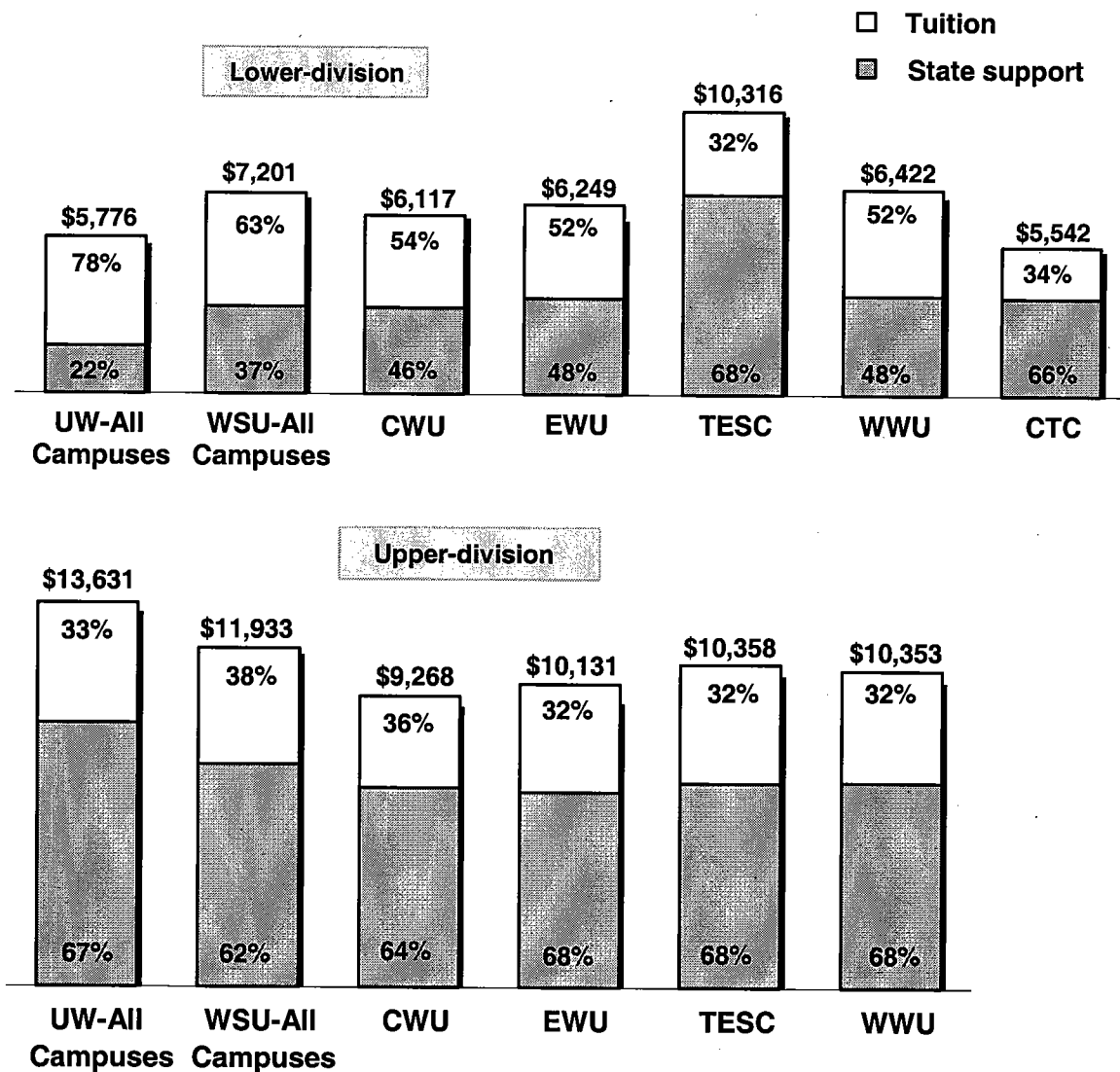
- Lower-division (freshman and sophomore) courses are generally less costly than upper-division (junior and senior) courses.
- Lower-division students generally pay a greater share of their instructional costs than do upper-division students – except at The Evergreen State College.
- The cost of instruction for lower-division students is slightly lower at the community and technical colleges.
- The cost of instruction for upper-division students is lowest at the comprehensive institutions.

Costs

The total cost of instruction for lower-division (freshman and sophomore) courses is less at the community and technical colleges compared to four-year institutions.

The cost of instruction for upper-division (junior and senior) courses is lower at the comprehensive institutions than at the research universities.

Cost of instruction: 2004-05 academic year



Source: Higher Education Coordinating Board.

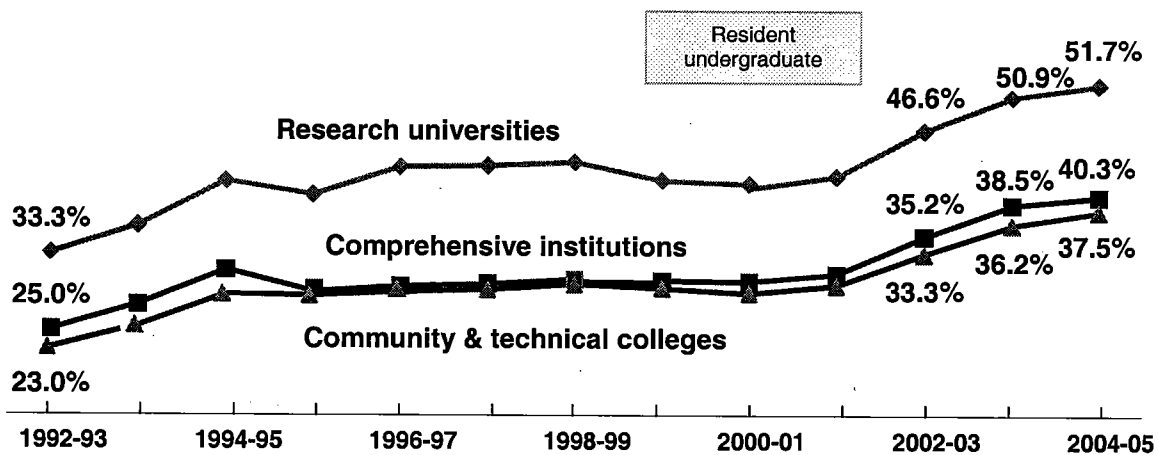
Note: Tuition reflects operating fee only; does not include building fee, services and activities fee, or other fees.

Costs

Trends in cost of instruction

Tuition paid by resident undergraduate students and their families covers nearly 52 percent of undergraduate instructional costs at the research institutions, about 40 percent at the comprehensive institutions, and nearly 38 percent at the community and technical colleges. Prior to 1995, tuition at the public colleges and universities was based on a percentage of the cost of instruction. Since 1995, the Legislature and governor have set (or capped) tuition in the state operating budget. Since 1999, the Legislature and governor have allowed colleges' and universities' boards of trustees and the State Board for Community and Technical Colleges to set tuition within limits established in the budget.

Tuition represents a larger share of instruction costs over the last 25 years



	1977-78 to 1980-81	1981-82 to 1992-93	1993- 1994	1994- 1995	2001- 2002	2002- 2003	2003- 2004	2004- 2005
Research universities:								
Resident undergraduate	25.0%	33.3%	36.3%	41.1%	41.6%	46.6%	50.9%	51.7%
Nonresident undergraduate	100.0%	100.0%	109.3%	122.9%	138.3%	150.2%	161.1%	166.2%
Comprehensive institutions:								
Resident undergraduate	*	25.0%	27.7%	31.5%	31.1%	35.2%	38.5%	40.3%
Nonresident undergraduate	*	100.0%	109.4%	123.0%	120.5%	132.2%	143.1%	148.5%
Community/technical colleges:								
Resident undergraduate	*	23.0%	25.4%	28.8%	29.8%	33.3%	36.2%	37.5%
Nonresident undergraduate	*	100.0%	109.3%	122.7%	127.2%	130.4%	134.2%	131.5%

*Resident undergraduate rates at the comprehensive institutions were set at 80 percent of the research universities. Community college resident rates were set at 45 percent of research universities; nonresidents at 50 percent of research.

Source: Higher Education Coordinating Board.

Tuition and fees

What price do students and/or families pay to go to a university or college?

The “price” is what students and their families are charged and what they pay for their education. The total price includes the tuition and other fees paid to the college, as well as related expenses such as payments for books and for room and board.

Sticker price — Sometimes “tuition and fees” are referred to as the sticker price – that is, the charge to enroll at a college/university. And, at public colleges and universities in Washington, the “sticker price” includes charges specified in state statute. These **statutory tuition and fees** include several elements:

- **Operating fees** that are used primarily to fund the instructional activities of the institution.
- **Building fees** that are used for debt service on the institution’s buildings. (Together, the operating fees and building fees are referred to as “tuition.”)
- **Services and activities fees** that support student activities.
- **Technology fees** that are charged at some institutions to support technology enhancements.

In addition, there may also be other fees determined by the college or university, such as laboratory fees for various courses.

Total price of attendance — Total price includes tuition and fees as well as other expenses related to financing a higher education. These additional expenses could include housing (room and board if the student lives on campus), books, transportation, and other miscellaneous expenses.

Net price — For some students, the total price of attendance may be offset through various types of financial assistance. For example, some students, particularly those with low incomes, are eligible for grants. Some students receive scholarships. Net price is what students pay after financial assistance is subtracted from the total price of attendance.

Tuition and fees

Tuition and fees vary by institution and by type of enrollment.

Public institutions – resident tuition and fees for full-time students: academic year 2004-05

RESIDENT	TUITION			S & A	TOTAL	Tech. fee	TOTAL
	Operating fee	Building fee	Statutory tuition (operating & building)	Services and Activities (S & A) fee	Tuition plus S & A fees	Tech-nology fee (Optional)	OVERALL TUITION AND FEES
UW - Seattle							
Undergraduate (UG)	4,531	239	4,770	291	5,061	120	5,181
Postbaccalaureate (UG courses)	4,531	239	4,770	291	5,061	120	5,181
Postbaccalaureate (Grad courses)	7,220	380	7,600	291	7,891	120	8,011
Nonmatriculated (UG courses)	4,531	239	4,770	291	5,061	120	5,181
Nonmatriculated (Grad courses)	7,220	380	7,600	291	7,891	120	8,011
Graduate (Tier I)	6,887	213	7,100	291	7,391	120	7,511
Graduate (Tier II)	7,129	221	7,350	291	7,641	120	7,761
Graduate (Tier III)	7,372	228	7,600	291	7,891	120	8,011
Business Master's Program	11,737	363	12,100	291	12,391	120	12,511
Tacoma Business Master's Prog.	10,670	330	11,000	300	11,300	120	11,420
Nursing: Incoming Master's	7,566	234	7,800	291	8,091	120	8,211
Nursing: Continuing Master's	6,887	213	7,100	291	7,391	120	7,511
Bothell Nursing Master's	7,129	221	7,350	267	7,617	120	7,737
Tacoma Nursing Master's	7,129	221	7,350	300	7,650	120	7,770
Pharm D (incoming student)	9,409	291	9,700	291	9,991	120	10,111
Pharm D (2nd year)	9,409	291	9,700	291	9,991	120	10,111
Pharm D (3rd year)	7,954	246	8,200	291	8,491	120	8,611
Pharm D (4th year)	7,129	221	7,350	291	7,641	120	7,761
Law: Master's and Professional	12,610	390	13,000	291	13,291	120	13,411
Medical and Dental Professional	12,160	640	12,800	291	13,091	120	13,211
UW - Bothell							
All charges same as above except S & A fee:				267			
UW - Tacoma							
All charges same as above except S & A fee:				300			
WSU - all campuses							
Undergraduate	4,510	235	4,745	409	5,154		5,154
Graduate	5,815	180	5,995	409	6,404		6,404
Graduate (Nursing)	6,809	211	7,020	409	7,429		7,429
Pharm D (class of 2007)	9,383	290	9,673	409	10,082		10,082
Pharm D (class of 2006)	7,943	246	8,189	409	8,598		8,598
Pharm D (class of 2004 & 2005)	7,004	217	7,221	409	7,630		7,630
Professional (Veterinary Med.)	11,633	612	12,245	409	12,654		12,654
CWU							
Undergraduate	3,326	140	3,466	441	3,908	75	3,983
Graduate	4,954	124	5,079	441	5,520	75	5,595
EWU							
Undergraduate	3,274	131	3,405	417	3,822	105	3,927
Graduate	5,243	130	5,373	399	5,772	105	5,877
TESC							
Undergraduate	3,329	139	3,468	432	3,900		3,900
Graduate	5,917	152	6,069	432	6,501		6,501
WWU							
Undergraduate	3,328	137	3,465	421	3,886	45	3,931
Graduate	4,776	117	4,893	421	5,314	45	5,359
Community/Technical Colleges							
Undergraduate	1,854	227	2,081	233	2,313	varies	

Source: Higher Education Coordinating Board (as reported by institutions).

Note: Community/technical college data reflect tuition and fees for a student taking 15 credit hours.

Tuition and fees

Nonresident students are charged higher tuition and fees than are residents of Washington.

Public institutions – *nonresident* tuition and fees for full-time students: academic year 2004-05

NONRESIDENT	TUITION		Statutory tuition (operating & building)	S & A Services and Activities (S & A) fee	TOTAL	Tech. fee	TOTAL
	Operating fee	Building fee			Tuition plus S & A fees	Tech- nology fee (Optional)	OVERALL TUITION AND FEES
UW - Seattle							
Undergraduate (UG)	16,617	783	17,400	291	17,691	120	17,811
Postbaccalaureate (UG courses)	16,617	783	17,400	291	17,691	120	17,811
Postbaccalaureate (Grad courses)	16,999	801	17,800	291	18,091	120	18,211
Nonmatriculated (UG courses)	16,617	783	17,400	291	17,691	120	17,811
Nonmatriculated (Grad courses)	16,999	801	17,800	291	18,091	120	18,211
Graduate (Tier I)	16,694	606	17,300	291	17,591	120	17,711
Graduate (Tier II)	16,935	615	17,550	291	17,841	120	17,961
Graduate (Tier III)	17,177	623	17,800	291	18,091	120	18,211
Business Master's Program	20,265	735	21,000	291	21,291	120	21,411
Tacoma Business Master's Prog.	19,300	700	20,000	300	20,300	120	20,420
Nursing: Incoming Master's	16,791	609	17,400	291	17,691	120	17,811
Nursing: Continuing Master's	16,694	606	17,300	291	17,591	120	17,711
Bothell Nursing Master's	16,935	615	17,550	267	17,817	120	17,937
Tacoma Nursing Master's	16,935	615	17,550	300	17,850	120	17,970
Pharm D (incoming student)	18,528	672	19,200	291	19,491	120	19,611
Pharm D (2nd year)	18,528	672	19,200	291	19,491	120	19,611
Pharm D (3rd year)	17,563	637	18,200	291	18,491	120	18,611
Pharm D (4th year)	16,694	606	17,300	291	17,591	120	17,711
Law: Master's and Professional	18,624	676	19,300	291	19,591	120	19,711
Medical and Dental Professional	30,070	930	31,000	291	31,291	120	31,411
UW - Bothell							
All charges same as above except S & A fee:				267			
UW - Tacoma							
All charges same as above except S & A fee:				300			
WSU - all campuses							
Undergraduate	12,571	592	13,163	409	13,572		13,572
UG: Distance Degree Program	6,764	353	7,117	409	7,526		7,526
Graduate	14,658	531	15,189	409	15,598		15,598
Grad: Distance Degree Program	8,723	270	8,993	409	9,402		9,402
Graduate (Nursing)	16,813	610	17,423	409	17,832		17,832
Pharm D (class of 2007)	18,455	670	19,125	409	19,534		19,534
Pharm D (class of 2006)	17,085	620	17,705	409	18,114		18,114
Pharm D (class of 2004 & 2005)	16,182	587	16,769	409	17,178		17,178
Professional (Veterinary Med.)	29,878	925	30,803	409	31,212		31,212
CWU							
Undergraduate	10,580	435	11,016	441	11,457	75	11,532
Graduate	11,005	454	11,459	441	11,901	75	11,976
EWU							
Undergraduate	12,378	510	12,888	411	13,299	105	13,404
Graduate	16,193	499	16,692	393	17,085	105	17,190
TESC							
Undergraduate	13,520	563	14,083	432	14,515		14,515
Graduate	18,921	585	19,506	432	19,938		19,938
WWU							
Undergraduate	12,341	511	12,852	421	13,273	45	13,318
Graduate	15,264	472	15,736	421	16,157	45	16,202
Community/Technical Colleges							
Undergraduate	6,673	616	7,289	233	7,521	varies	

Source: Higher Education Coordinating Board (as reported by institutions).

Note: Community/technical college data reflect tuition and fees for a student taking 15 credit hours.

Tuition and fees

What are the trends in tuition?

In the 2001-03 budget act, the Legislature granted the governing boards of each public institution and the State Board for Community and Technical Colleges authority to increase statutory tuition rates (operating and building fees) with caps. For undergraduate and most graduate students, the maximum increase authorized for academic year 2001-02 was 6.7 percent. Law and graduate business programs were allowed to increase statutory tuition 12 percent per year, except for the graduate business program at the University of Washington, which could increase tuition by 15 percent in 2001-02.

The tuition increase for 2002-03 authorized in the 2001-03 budget was revised in the 2002 supplemental budget to authorize governing boards and the State Board for Community and Technical Colleges to increase undergraduate tuition up to 16 percent for research institutions, 14 percent for comprehensive institutions and 12 percent for community and technical colleges.

The 2003-05 budget authorized all public institutions to increase tuition for resident undergraduate students by 7 percent in each of the two years. Since 2002-03, each four-year institution and the SBCTC have determined tuition for nonresident and graduate students.

Statutory tuition (operating and building fees only) for undergraduate residents and nonresidents

		<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
UW	Resident	\$ 3,368	\$ 3,593	\$ 4,167	\$ 4,458	\$ 4,770
	Nonresident	12,060	12,868	14,868	15,611	17,400
WSU	Resident	3,351	3,574	4,145	4,435	4,745
	Nonresident	10,267	10,955	11,940	12,537	13,163
CWU	Resident	2,490	2,658	3,027	3,240	3,466
	Nonresident	9,741	10,395	11,016	11,016	11,016
EWU	Resident	2,451	2,613	2,976	3,183	3,405
	Nonresident	9,261	9,879	11,259	12,045	12,888
TESC	Resident	2,490	2,657	3,029	3,240	3,468
	Nonresident	9,744	10,397	11,853	12,921	14,083
WWU	Resident	2,490	2,655	3,027	3,238	3,465
	Nonresident	9,744	10,398	11,226	12,012	12,852
CTC	Resident	1,476	1,568	1,784	1,927	2,081
	Nonresident	6,294	6,686	6,992	7,135	7,289

Source: Higher Education Coordinating Board (as reported by institutions).

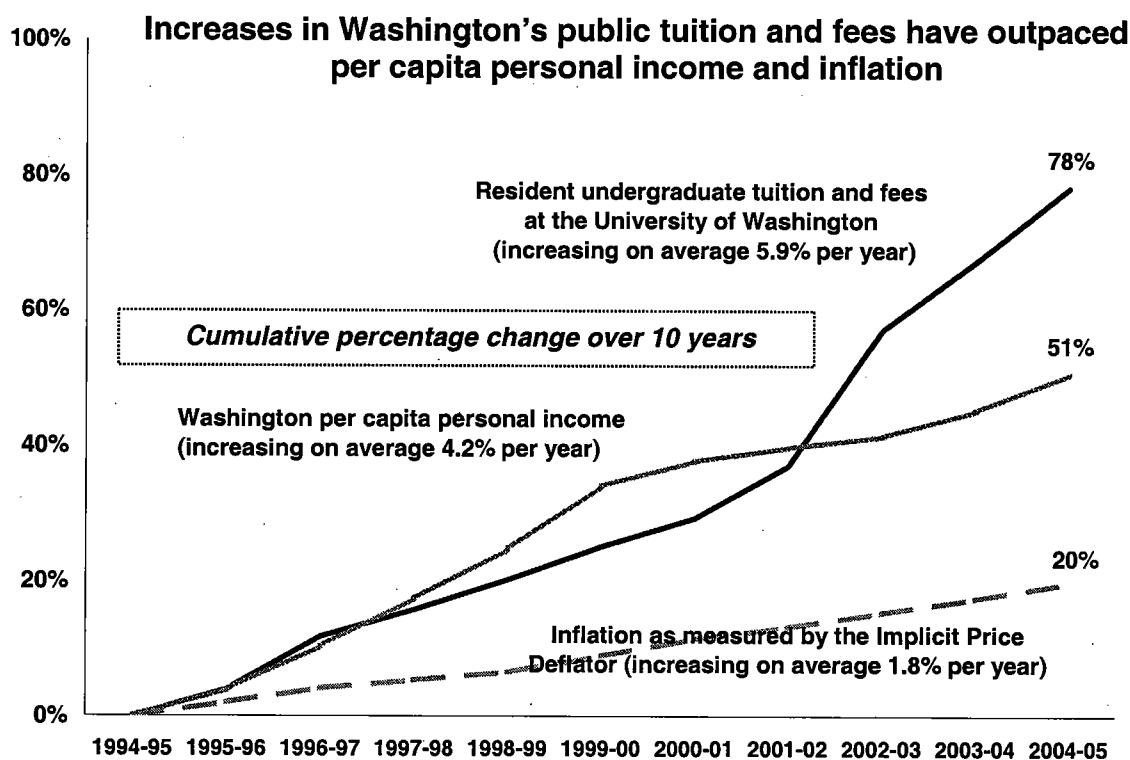
Tuition and fees

What have been the trends compared to other expenses?

Over the past 10 years, tuition and fees have increased 78 percent at the University of Washington.

During the same time, the cost of most consumer goods increased an average of 20 percent.

Per capita personal income in Washington increased 51 percent during this period.



Change in tuition and fees, other expenses, inflation and income: 1994-95 to 2004-05

	1994-95	2004-05	Change
Tuition and fees (resident undergraduate)			
Public research – University of Washington	\$ 2,907	\$ 5,181	78%
Public comprehensive institutions (average)	2,256	3,879	72%
Community colleges	1,296	2,313	78%
Independent – lowest	4,676	7,080	51%
Independent – weighted average	12,472	21,051	69%
Independent – highest	16,670	26,880	61%
Other expenses			
Room and board/books/transportation/miscellaneous	7,482	10,062	34%
Inflation			
Inflation (Implicit Price Deflator) – Base year 1993-94 = 1.00	1.00	1.20	20%
Income			
Washington per capita personal income	\$23,261	\$35,040	51%

Sources: Higher Education Coordinating Board; and Office of the Forecast Council.

Tuition and fees

**How do
Washington
tuition and fees
compare to other
states?**

Washington resident undergraduate students pay less than the national average for tuition and fees.

National comparison of resident undergraduate tuition and fees: 2003-04 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$4,863	\$4,836	\$3,700	\$2,142
National comparison				
National average	\$5,218	\$5,218	\$4,169	\$2,155
Dollar difference	- \$355	- \$382	- \$469	- \$13
Percentage difference	- 6.8%	- 7.3%	- 11.3%	- .6%
Washington rank	25 th	N/A	28 th	22 nd

Source: Higher Education Coordinating Board survey.

Tuition and fees

How do Washington tuition and fees compare to peer institutions?

Washington resident undergraduate students at public colleges and universities pay lower tuition and fees than students attending peer institutions.

Peer institution comparison of resident undergraduate tuition and fees: 2003-04 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$4,863	\$4,836	\$3,700	\$2,142
Peer institution comparison				
Peer average	\$5,890	\$5,398	\$4,169	\$2,155
Dollar difference	- \$1,027	- \$562	- \$469	- \$13
Percentage difference	- 17.4%	- 10.4%	- 11.3%	- .6%
Peer rank	18 th of 25	13 th of 23	28 th of 46	22 nd of 49

Source: Higher Education Coordinating Board survey.

Peers:

UW – The comparison group for the University of Washington is all public institutions classified as research universities (category 1) with medical schools.

WSU – The comparison group for Washington State University is all public land grant universities classified as research universities (categories 1 and 2) with veterinary schools.

Comprehensives – The comparison group for Central, Eastern, and Western Washington Universities is all public institutions classified as comprehensive colleges and universities (category 1).

Community and technical colleges – The comparison group for the Washington community and technical college system is all state community college systems.

Tuition and fees

How do Washington tuition and fees compare to institutions in other western states?

Washington resident undergraduate students at public universities and colleges:

- Pay the third-highest tuition and fees among students attending flagship universities in the 15 western states.
- Pay the fourth-highest tuition and fees among students attending comprehensive universities in the 15 western states.
- Pay significantly higher-than-average tuition and fees at community colleges in the 15 western states.

Western states comparison of resident undergraduate tuition and fees: 2003-04 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$4,863	\$4,836	\$3,700	\$2,142
WICHE states (15 western states) comparison				
WICHE average	\$3,913	\$3,913	\$3,329	\$1,794
Dollar difference	\$950	\$ 923	\$ 371	\$ 348
Percentage difference	+ 24.3%	+ 23.6%	+ 11.1%	+ 19.4%
Washington rank	3 rd	N/A	4 th	6 th

Source: Higher Education Coordinating Board survey.

The Western Interstate Commission for Higher Education (WICHE) member states are: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Tuition and fees

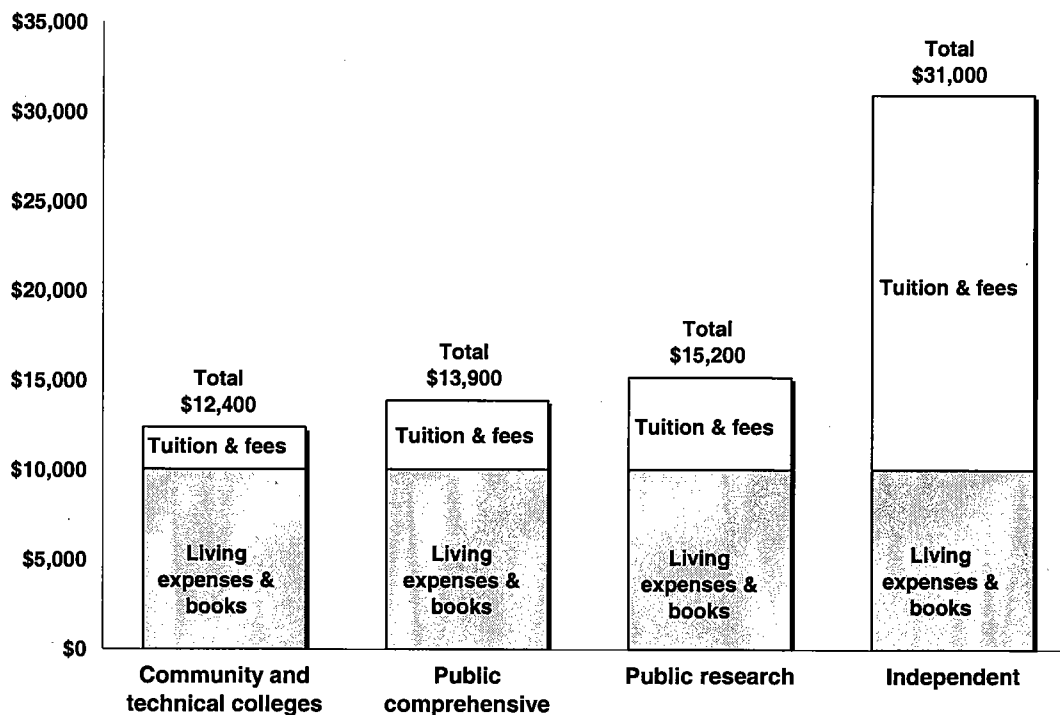
What total price do students pay to attend college?

The student price to attend college is a function of both tuition and living expenses as well as the type of institution selected.

As the chart shows, tuition drives most of the difference in price among institutions. Students selecting public institutions pay a tuition that represents only a portion of the whole cost of delivering instruction. Operating without direct state support, independent institutions charge a tuition that more closely approximates the full cost of instruction.

Living expenses include items like books and supplies, room and board, and transportation. Most students experience these living costs regardless of the type of institution they attend.

Typical living expenses and books are similar among the institutions, but tuition varies significantly



Sources: Washington Financial Aid Administrators, Student Budgets 2004-05, and Higher Education Coordinating Board.

Note: "Tuition and fees" reflect resident undergraduate charges at public institutions.

State operating budget

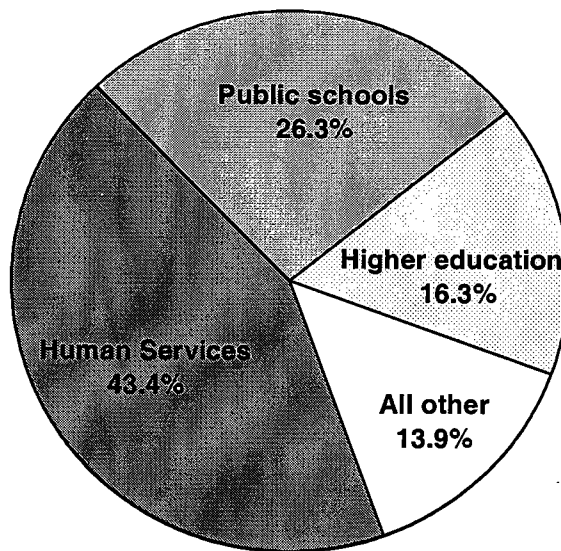
How much of the total operating budget is earmarked for higher education?

The state's \$45.5 billion operating budget includes more than just the general fund. At \$7.4 billion, higher education makes up more than 16 percent of all the funds in the state's operating budget.

Besides the general fund, examples of other significant funds include federal funds, the Health Services Account, the Public Safety and Education Account, and transportation funds.

The \$7.4 billion earmarked for higher education comes from a variety of sources, including the state's general fund, tuition (operating fees), higher education grants and contracts, dedicated local revenues, and the University of Washington hospital.

**State operating budget 2003-05 biennium:
Total - \$45.5 billion**



Source: Legislative Evaluation and Accountability Program Committee, *Legislative Budget*
Notes: 2003-05 Biennium – 2004 Supplemental, June 2004.

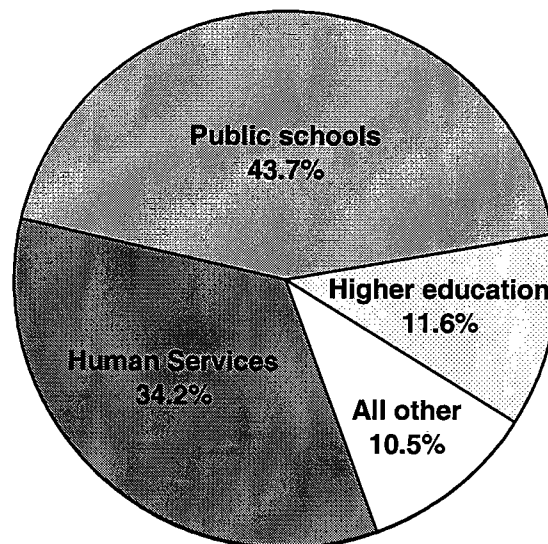
State operating budget

General fund

The state's general fund is comprised of revenues principally received from the state's sales tax, B&O tax, property tax, and many other excise taxes.

The state general fund equals \$23.2 billion in the current biennium. Higher education makes up 11.6 percent of the total, equaling \$2.7 billion.

State general fund 2003-05 biennium: Total - \$23.2 billion



Source: Legislative Evaluation and Accountability Program Committee, *Legislative Budget Notes: 2003-05 Biennium – 2004 Supplemental*, June 2004.

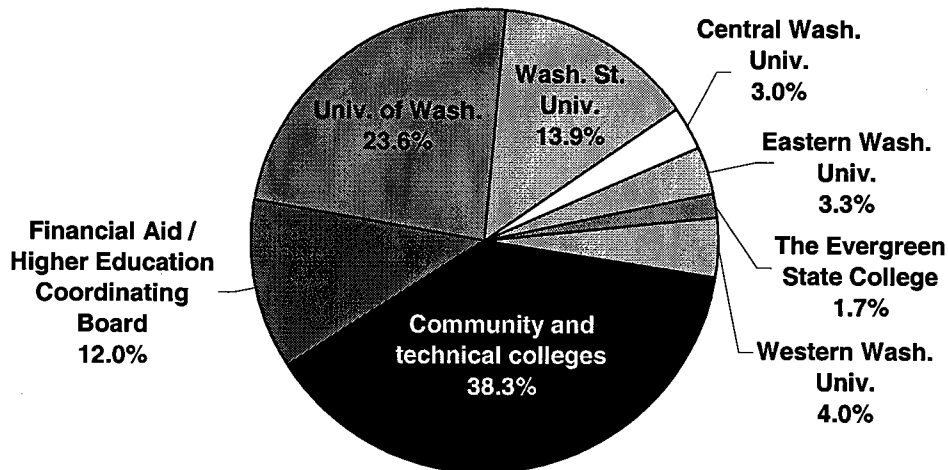
State operating budget

General fund

Of the \$2.7 billion appropriated to higher education in 2003-05, the community and technical colleges received 38.3 percent (\$1 billion); the University of Washington received 23.6 percent (\$637 million); and Washington State University received nearly 14 percent (\$376 million).

Student financial aid comprises another significant share of the higher education budget. The Higher Education Coordinating Board received 12 percent (\$325 million); 95 percent (\$309 million) of that amount was targeted for financial aid.

**State general fund 2003-05 biennium:
distribution of \$2.7 billion for higher education**



**Higher education 2003-05 operating budget
state general fund
(dollars in millions)**

Community and technical colleges	\$1,034
University of Washington	637
Washington State University	376
Financial aid/Higher Education Coordinating Board	325
Western Washington University	109
Eastern Washington University	88
Central Washington University	82
The Evergreen State College	47
Total	\$2,698

Source: Higher Education Coordinating Board, 2005-07 Higher Education Operating and Capital Budget Recommendations / Supplement 1.

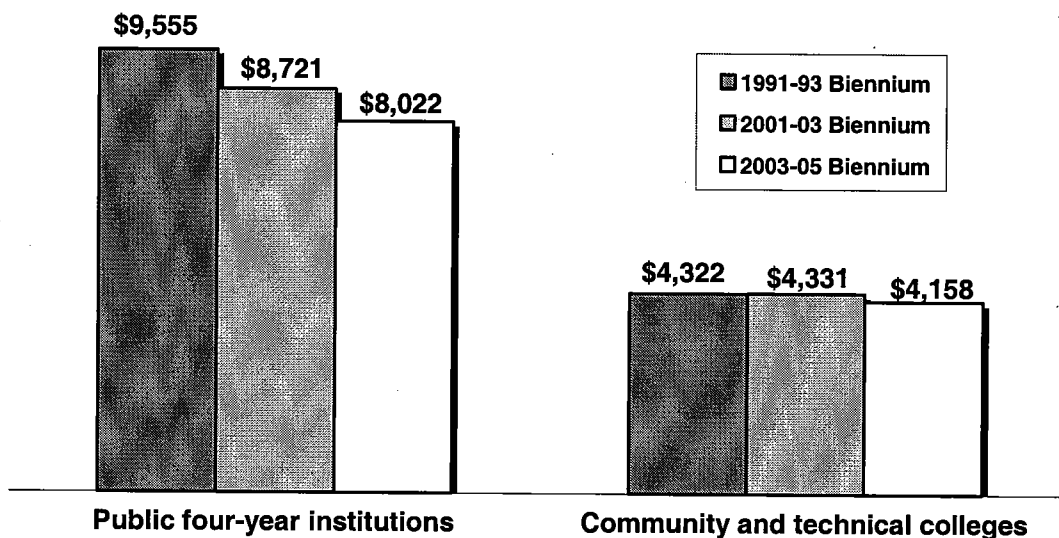
State operating budget

General fund

What are the trends in state funding?

Since 1991-93, state support for higher education has steadily declined. In the 2003-05 operating budget, state support per higher education student continues that trend.

**State general fund appropriations per budgeted FTE student
adjusted for inflation
(2004-05 dollars)**

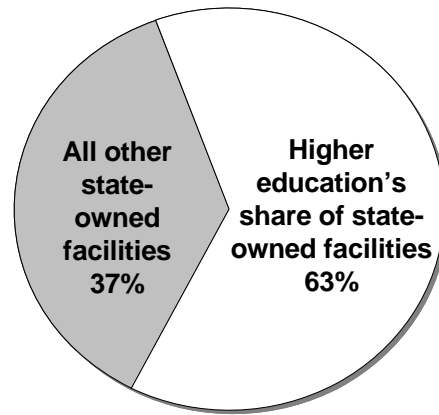


Source: Higher Education Coordinating Board, 2005-07 Higher Education Operating and Capital Budget Recommendations.

Capital budget

What is the state's investment in capital facilities for higher education?

The collective facilities of Washington's public colleges and universities represent a significant share of state government's total physical plant – more than 45 million square feet, or nearly two-thirds (63 percent) of all state-owned space.



Higher education facilities are used for two primary purposes:

- To provide instructional programs and academic support services for students; and
- To undertake research and research-related activities.

To support the delivery of quality academic programs in adequate facilities, the universities and colleges rely on state appropriations to:

- Provide a responsible level of building maintenance;
- Repair and renovate facilities as buildings age and program requirements change; and
- Expand capacity to meet increased enrollment.

Capital budget

How are capital funds appropriated?

Funds for major repairs, renovation, and new facilities are appropriated in the capital budget, while funds for building maintenance and operations are in the operating budget.

Since 1991, 74 percent of all higher education capital appropriations have come from borrowing through the sale of general obligation bonds. The remaining 26 percent of all capital appropriations are from local, dedicated sources.

State law limits the amount of state borrowing from the sale of general obligation bonds. The state constitution limits the amount of this type of debt by requiring debt service payments to be no greater than nine percent of the average of general state revenues for the past three years.

State law further limits the debt service ceiling to seven percent of the average of general state revenues for the past three years. Washington does not use an allocation formula or model to distribute capital funds among the sectors or individual institutions of public higher education. Rather, the biennial capital budgets reflect choices or decisions about the relative need and priority of specific projects. By examining the “aggregate” of these discrete decisions over time, trends in state capital budgeting decisions emerge that reflect changing areas of state capital priorities.

Capital budget

What level of capital investments has the state made for higher education?

Total (all funds) biennial capital appropriations to higher education have fluctuated significantly over time.

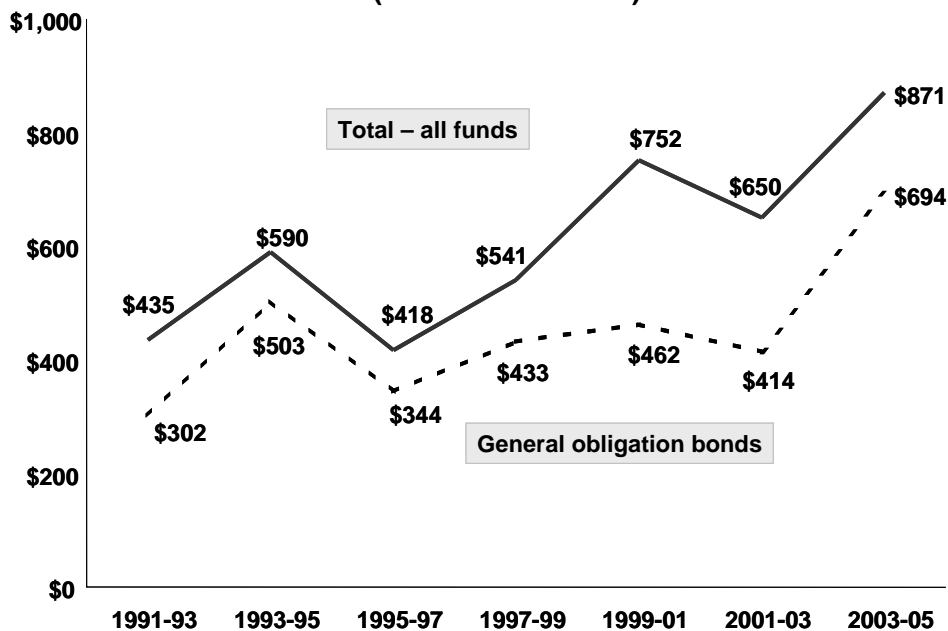
Appropriation amounts have ranged from a low of \$415 million in the 1995-97 biennium to a high of \$871 million in the 2003-05 biennium (unadjusted dollars).

State bond appropriations to higher education remained fairly stable until 2003-05 when, in response to a proposal by former Governors Dan Evans and Booth Gardner, the 2003 Legislature increased the state's debt limit to provide additional capital funds for higher education facilities over six years. These funds, totaling \$750 million (including \$281 million appropriated for 2003-05), are earmarked for projects that will modernize and restore existing facilities, as well as provide additional capacity for future enrollment demand.

Since 1991, the state has invested about \$14.5 billion in all state facilities. Nearly half of this total investment (\$6.8 billion) came from borrowing through the sale of general obligation bonds.

Over that same time period, 74 percent (\$3.2 billion) of higher education's capital appropriations (\$4.3 billion) came from these total bond authorizations.

**Higher education capital appropriations
(dollars in millions)**



Sources: Legislative Evaluation and Accountability Program Committee; and Legislative Budget Notes.

Capital budget

What are the trends in higher education's capital budgets?

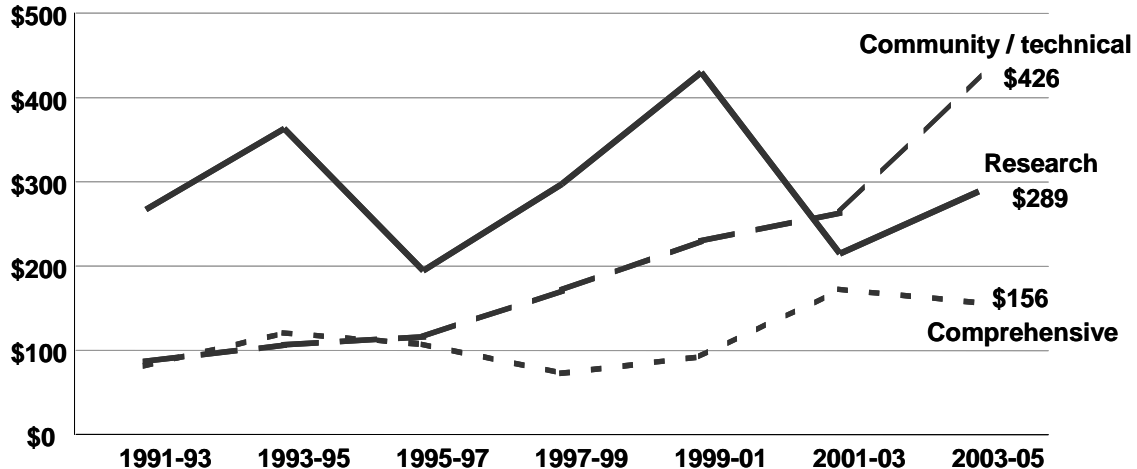
Historically, capital budgets for higher education have been basically stable, accounting for about 30 percent of the total state capital budget.

Three key trends in higher education's capital funding since 1991 have emerged:

- Moderate growth in total appropriation levels
- Stable share of biennial bond authorizations
- Consistent reliance on bonds as a principal source of financing

While total higher education appropriation levels have remained fairly stable, capital funding levels among and within the sectors have varied over time – reflecting different capital priorities and initiatives.

Capital funding levels have varied by sector
(dollars in millions)



Sources: Legislative Evaluation and Accountability Program Committee; and Legislative Budget Notes.

Capital budget

Historically, what types of capital projects have been funded?

Through the 1993-95 biennium, the state committed a significant portion of higher education's capital spending to modernize science facilities. This priority was most evident at the University of Washington, but was also demonstrated at Central Washington University.

The period between the 1995-97 and 1999-01 biennia reflected the commitment of significant capital to finance the construction phase of the branch campuses of the University of Washington and Washington State University.

In the 2001-03 biennium, three of the state's comprehensive institutions (The Evergreen State College, Western Washington University, and Central Washington University) received construction dollars for new facilities to house additional students or replace obsolete facilities.

In 2003-05, additional funding is being used for renovations as well as added capacity.

A significant priority and commitment for the community and technical colleges is reflected since 1991. A consistent increase in capital investments has been made to replace poorly constructed community and technical college facilities and to provide greater enrollment capacity.

Prioritization of capital projects:

Legislation passed in 2003 also directs the Higher Education Coordinating Board to coordinate development of a single, prioritized list of capital projects requested by four-year institutions. The list is aimed at helping policymakers prioritize funding for projects in all sectors of public higher education.